

volume that it became apparent that a full-time representative of the JRSO there was required, and Mr. Werner M. Loewenthal, who had just completed an assignment as Restitution Officer with the Office of the United States High Commissioner in Germany, was appointed to this position on June 20, 1955. He has worked in close coordination with the undersigned, who has acted during the period as Washington counsel for the JRSO. Mr. Loewenthal has had a staff of from two to three clerk-typists working with him.

The volume of work in the Washington office is apparent from the fact that between July 1 and August 23, the filing deadline under Public Law 626, the Washington office filed 3,094 out of a total of over 8,000 JRSO claims which had been filed.

A great many of the claims filed by the Washington office arose in cases involving estates and trusts. In many of these situations, the check of the OAP lists had produced claims filed by the JRSO in the name of one or another of the persons named in the vesting order, but not in the name of the person who was the actual beneficiary of the estate or trust. It was necessary to file in the name of the latter person, and claims in this category formed a major portion of the claims filed directly by the Washington JRSO office.

During this period also, one of the many problems concerned the so-called "omnibus accounts" in the OAP. These are accounts in the United States, held in the names of Swiss, Dutch or French banks, where the names of the actual depositors in the accounts are not known. It is possible that a major part of these accounts represents the funds of persons who were enemy nationals. On the other hand, there exists a substantial possibility that some portion of these accounts may be the funds of persecutees who were seeking to avoid the foreign exchange restrictions of Germany. A letter describing this situation, and suggesting that JRSO be considered informally to have claimed such portion of these accounts as might be found later to belong to persecutees, was sent to the OAP, but the request was rejected.

Thereupon, some 625 vesting orders in this category were located by the Washington JRSO office and claims filed describing these orders in terms which make it possible to identify the property in some detail.

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Vested accounts

Insert at Chapter V, bottom of last page of final version:

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• never returned that may well have contained victims' assets.

279 Seymour Rubin, "Report to Executive Committee of Jewish Restitution Successor Organization Re: Heirless Assets in the United States, Sept. 1955, attached to memo from Saul Kagan, Oct. 5, 1955, YIVO RG 347.17, Am. Jew. Com. (Gen-10), Box 295, File 6 [345080]. The Commission counted 352 such accounts in the vesting orders listed in the Office of Alien Property *Annual Reports* between 1945 and 1958.

Paris Reparation Agreement of 1946 sets up a plan for assistance in connection with the rehabilitation and resettlement of nonrepatriable victims of German action and in paragraph C provides that—

governments of neutral countries shall be requested to make available for this purpose * * * assets in such countries of victims of Nazi action who have since died and left no heirs.

Provisions carrying out this directive are in fact incorporated in agreements between the United States, Great Britain, and France on the one side and the various neutral countries on the other.

In the treaties with the satellite countries, the Allies insisted on provisions for the disposition of heirless property in a manner almost identical with that provided by S. 603. In the treaties with Rumania and Hungary, it was provided that—

all property, rights and interests * * * of persons, organizations or communities which * * * were the object of racial, religious, or other Fascist measures of persecution and remaining heirless or unclaimed for six months after the coming into force of the present treaty shall be transferred * * * to organizations * * * representative of such persons, organizations or communities. The property transferred shall be used by such organizations for purposes of relief and rehabilitation of surviving members of such groups, organizations and communities * * *

That is quoted from the treaty.

The military government in the United States zone of Germany, as General Clay has just explained, has also made provision for utilization of heirless property of persecutees for purposes of relief and rehabilitation of survivors. That is by Military Government Law No. 59.

Enactment of the proposed amendment has repeatedly been urged by interested United States Government departments. The Department of State has stated that its enactment "is highly desirable as an aid in carrying out the foreign policy of the United States." The Department of Justice also recommends the passage of this bill (S. Rept. No. 784 on S. 603, 81st Cong., 1st sess., pp. 7, 12, 13).

AMOUNTS INVOLVED

The amount of property affected by this legislation will not be large.

I testified before the Senate Judiciary Committee that, in my opinion, based on the advice of competent observers, the amount of property affected will range between \$500,000 and \$2,000,000. At my request, a further study of the vesting orders was made this year by the American Jewish Committee and the Joint Distribution Committee. This study indicated that about \$2,000,000 is involved. I do not believe it possible to obtain a more accurate estimate. As Senator McGrath pointed out in his report for the Senate Judiciary Committee last year (S. Rept. No. 784):

Until an actual experience has been had with the administration of the proposed amendment, no truly accurate estimates are possible [although] it is nevertheless completely clear that the total amount of money which will be affected by the legislation is relatively inconsequential.

Nevertheless, in order to allay any fear that a greater amount may be involved and in order to expedite consideration of the bill, I suggested to the Honorable Lindsay B. Beckett, chairman of the subcommittee, that a ceiling of \$3,000,000 be written into the bill.

To accomplish this, I suggested and suggest today that S. 603 be amended by adding at the end of the sentence on page 2, line 12, these words:

~~Provided, however, That such returns hereunder shall not exceed a total of \$1,000,000.~~

REASONS FOR ENACTMENT

The proposed amendment, I submit here, is eminently just and reasonable. The assets of victims of Nazi persecution should be used for relief of survivors, not to pay claims against the United States, however worthy the claims may be.

It is in line with the policy of Congress and the Administration. Its passage will implement United States policy in Germany. It will also favorably affect representations by the United States to Switzerland, which is a large depository of heirless assets pursuant to the provisions of the final act of the Paris Conference on Reparations and the five-power agreement of June 1946. The release of such funds by Switzerland would reduce the obligations assumed toward displaced persons by United States occupation forces in Europe and by the International Refugee Organization.

So, I respectfully submit that the proposed amendment to the Trading With the Enemy Act should become law.

Mr. HINSHAW. Mr. Chairman, I should like to ask Judge Patterson something about this situation in Switzerland. We have been reading about it in the newspapers. We hear, and it is stated, that large amounts of money and property are in Switzerland, property which had formerly been the property of German nationals.

What is the condition of that property at the present time and in whose hands is it to dispose of, and what is the value of it, approximately, if you know?

Mr. PATTERSON. I cannot testify with accuracy, Mr. Hinshaw, on this point, principally because I am not up to date on the subject. When I was with the War Department I knew that the question of German assets in Switzerland was under consideration by the Treasury Department and the State Department.

At that time it had to do particularly with assets—visible assets that were deposited by either the German Government or German nationals in Switzerland—that were said to have been plundered property, plundered from Holland, Belgium, and France in particular. The effort was then being made by the State Department and Treasury Department to get recognition by the Swiss of the claims of the people from whom the property had been plundered.

The final upshot of those negotiations I do not know. At one time the position was taken, I believe, by the Swiss that part of the property that could be identified should be returned.

Now, that is the only phase of the matter that I was familiar with, and with the final upshot of that I am not familiar. That had to do particularly with gold. Some of the gold that was taken by the Nazi occupation forces from the occupied countries to the west had had the numbers and identifying marks expunged, making it very hard for the lawful owners to identify it. I am not speaking now of persecutee property, and I did not understand your question to be directed to that kind of property in Switzerland.

Mr. HINSHAW. Not specifically, no.

Mr. PATTERSON. I was sorry to read in the newspaper some months ago, the daily press, that Switzerland in one case had made some preliminary arrangement to return property that had formerly been owned by Polish citizens to the Government of Poland. Whether that was actually consummated or not, I do not know. Their action was being strongly protested.

I think we would be under no illusions at all as to what would happen to any property that was turned over under present conditions to the Polish Government.

Mr. BECKWORTH. Mr. Patterson, as you recall back at the time you were familiar with this negotiation which was going on as between our State Department and the Treasury Department and the Swiss, about how much money or property was involved, just an estimate?

Mr. PATTERSON. I could not say with any definiteness, Mr. Beckworth. It was a large-size sum.

Mr. BECKWORTH. You would say over the \$100,000,000 mark?

Mr. PATTERSON. I think so.

Mr. HINSHAW. Now, Mr. Chairman, I would like to read into the record at this point section 12 of the Trading With the Enemy Act, being Public Law 896 of the Eightieth Congress, second session. That is the War Claims Act. Section 12 says:

The Trading With the Enemy Act of October 6, 1917, as amended, is hereby amended by adding at the end thereof the following new section:

"Sec. 39. No property or interest therein of Germany, Japan or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 7, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of the administration, liquidation and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practical date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act, or of the Philippine Property Act of 1946.

There are two points to be brought up in connection with that section. In the first place, it provides that this property which comes into the hands of the United States or any officer or agency of the United States at any time after December 7, 1941, shall be returned to the former owners thereof or their successors in interest. Presumably this act is intended to provide a successor in interest for property from which the former owners, being former persecutees, cannot be found. Is that your idea?

Mr. PATTERSON. Yes, sir.

Mr. HINSHAW. Then there is another part of it which is a matter of concern to me, and that is that the only property which so far has been turned over to the Treasury is that property which has come into the hands of the Alien Property Custodian. I would assume that this act, drawn as it is, where it says that no property or interest therein, and so forth, transferred to any officer or agency of the Government, shall be returned to the former owners thereof, should include other agencies of the Government which came into possession of such property. I would not ask my learned and distinguished friend, Judge Patterson, to interpret that particular section, but if he cares to comment on it, I would be very happy to have him do so, Mr. Chairman.

Mr. PATTERSON. As to the latter point, Mr. Hinshaw, the language sweeping, but of course it does primarily mean property in custody of the Alien Property Custodian, because that is where alien enemy property discovered and taken by the United States Government goes. It goes into the hands of the Alien Property Custodian.

Mr. HINSHAW. I would like to call your attention to the fact, Judge Patterson, that the Alien Property Custodian testified before this committee that the only properties which came into the possession of the Alien Property Custodian were those which were in the United States.

Mr. PATTERSON. Surely. It is only property within the United States, that is right. I think that that is the coverage of the act, the Trading With the Enemy Act. It would not cover property falling into the hands of the occupying forces in Germany or Japan. As to the first point, the language you quote from the War Claims Commission Act does forbid the return of property to its former owner, except as already provided by the Trading With the Enemy Act, which provided that the property of persecutees should be returned to them or their heirs, if deceased. The bill that is now pending would place property owned by persecutees deceased without heirs in the same category as is already provided for property owned by living persecutees or by the heirs of deceased ones, where they had heirs.

I failed to mention, I think, in my statement that this bill, S. 603, has passed the Senate. It was the subject of hearings in the Senate Judiciary Committee and received a favorable report from the Senate Judiciary Committee, and passed the Senate in August of last year, the Eighty-first Congress.

Mr. ROGERS. It did not have this limitation in it, did it?

Mr. PATTERSON. Not the limitation that I suggested today, Mr. Rogers, no; but some concern having been expressed there and some concern also having been expressed here, as to what might be involved and to make certain that we had a definite ceiling on that, and that there would be no considerable withdrawal at all of funds to be applied to relief purposes under this measure, I did suggest and do suggest the imposition of a ceiling that no more than \$3,000,000 will be involved.

I have been informed that with that ceiling, any question that has arisen in the minds of any agencies of the Government has been removed. I think I did state that the bill has had the support and has the support of the State Department, the Department of Justice, and Treasury Department, as is shown by letters from those Departments with the committee.

Mr. HINSHAW. Mr. Chairman, I think the committee, and certainly I as one member have great sympathy with the bill, but now that you are with us, Judge, I am looking for some more property to put into this war claims fund, and am trying to find out where it may be located, and in the hands of what agency of our Government. I believe when you were Secretary of War that our troops took Japan.

Mr. PATTERSON. That is right.

Mr. HINSHAW. It is my understanding or my memory, at least, from reading the papers at that time, that a number of bars of platinum were found dropped in the mud alongside of a dock some place in Japan, and I wondered if you have any recollection of that fact, and what became of those bars of platinum. Perhaps there were some other rare metals.

AMENDMENTS TO WAR CLAIMS ACT OF 1948, TRADING WITH THE ENEMY ACT

MONDAY, MAY 15, 1950

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE OF THE COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room 1334, New House Office Building, Hon. Lindley Beckworth (chairman of the subcommittee) presiding.

Mr. BECKWORTH. The committee will come to order.

We shall have testimony this morning concerning S. 603, H. R. 1849, and H. R. 2780.

(The bills are as follows:)

[S. 603, 81st Cong., 1st sess.]

AN ACT To amend the Trading With the Enemy Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 32 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended by adding at the end thereof the following subsection:

"(b) The President may designate one or more organizations as successors in interest to deceased persons who, if alive, would be eligible to receive returns under the provisos of subdivision (C) or (D) of subsection (a) (2) hereof. An organization so designated shall be deemed a successor in interest by operation of law for the purposes of subsection (a) (1) hereof. Return may be made, to an organization so designated, (a) prior to April 30, 1950, or two years from the vesting of the property or interest in question, whichever is later, if the President or such officer or agency as he may designate determines from all relevant facts of which he is then advised that there is no basis for reasonable doubt that the former owner is dead and is survived by no person eligible under section 32 to claim as successor in interest by inheritance, devise, or bequest; and (b) after such later date, if no claim for the return of the property or interest is pending.

"No return may be made to an organization so designated unless it files a claim on or before January 1, 1952, and unless it gives firm and responsible assurance approved by the President that (i) it will sell and dispose of and use the property or interest returned to it or the proceeds of any such property or interest for use directly in the rehabilitation and settlement of persons who suffered substantial deprivation of liberty or failed to enjoy the full rights of citizenship within the meaning of subdivisions (C) and (D) of subsection (a) (2) hereof, by reason of their membership in the particular political, racial, or religious group of which the former owner was a member and by reason of membership in which such former owner so suffered such deprivation of liberty or so failed to enjoy such rights; (ii) it will transfer, at any time within two years from the time that return is made, such property or interest or the equivalent value thereof to any person whom the President or such officer or agency shall determine to be eligible under section 32 to claim as owner or successor in interest to such owner, by inheritance, devise, or bequest; and (iii) it will make to the President, with a copy to be furnished to the Congress, such reports (including a detailed annual report on the use of the property or interest returned to it or the proceeds of any such

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**AMENDMENTS TO
WAR CLAIMS ACT OF 1948
TRADING WITH THE ENEMY ACT**

HEARINGS

BEFORE A

**SUBCOMMITTEE OF THE COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES**

EIGHTY-FIRST CONGRESS

SECOND SESSION

ON

**H. R. 6808, H. R. 7001, H. R. 7030, S. 3000
AMENDING WAR CLAIMS ACT OF 1948**

**S. 603, H. R. 1849, H. R. 2780, H. R. 6431
H. R. 7002, H. R. 1848, S. 1292, H. R. 6300
S. 3901, H. R. 8998, H. R. 6096**

AMENDING THE TRADING WITH THE ENEMY ACT

**MARCH 22, 24, MAY 15, JUNE 15, AUGUST 3, 18, 24, 25,
AND SEPTEMBER 1, 1950**

Printed for the use of the Committee on
Interstate and Foreign Commerce



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1950

Report to Executive Committee of Jewish Restitution Successor Organization

Re: Heirless Assets in the United States

Public Law 626 was passed in the closing days of the Second Session of the 83rd Congress. It culminated years of effort on the part of various Jewish organizations -- effort directed at enactment of legislation which would put heirless assets in the United States at the disposal of the Jewish Restitution Successor Organization, for the benefit of surviving persecutees. Although the law was enacted in July 1954, and signed by the President in August, the passage of the legislation itself was merely the first step in what is clearly to be the difficult program of obtaining these assets or their proceeds, and making them available for the intended relief purposes.

Although this report is intended to point out the nature and extent of present problems, it is necessary to give some general background. For convenience, this report is therefore divided into three readily identifiable periods -- the period prior to enactment of the law, the period from enactment until the expiration of the filing deadline under the law, and the from-here-on-in period.

I.

In 1948, when the writer of this report became foreign affairs counsel to the American Jewish Committee, work on an heirless property bill in the United States had already begun. The AJC had retained the services of the eminent former judge and ex-Secretary of War, Robert Patterson, to work on and for the bill. A bill had been introduced, in both the House and the Senate, with eminent and bipartisan support -- Senators Taft and McGrath, and Congressmen Crosser and Wolverton, the ranking majority and minority members of the House Interstate and Foreign Commerce Committee. In the 83rd Congress, when the bill was finally enacted, it again had strong bipartisan support.

Before its final passage in the 83rd Congress, the bill had twice been passed by the Senate, but, despite one favorable report from the House Interstate and Foreign Commerce Committee, never by the House. There were a number of House objections to the bill, despite the numerous arguments, based both on precedent and justice, which were advanced by its supporters. Basically, these objections stemmed from the theory that the bill took money from the Treasury for a particular class -- and religious group -- of persons. The testimony in favor of the bill of such persons as General Lucius Clay, who pointed out the precedent set by Military Government Law 59 in Germany, and the fundamental point that only one group had

been so persecuted as to give rise to heirless property, greatly diminished the force and effect of this argument. It was, however, potent enough to delay passage for a long period of time, and it had the side effect of a series of relatively minor amendments to the bill -- amendments which, however, emphasize the need for expeditious and economical implementation. Delay in enactment, as will be pointed out later, is highly relevant to present problems.

Boiled down, the bill -- now Section 32 (h) of the Trading With the Enemy Act, as amended -- provides for designation by the President of a successor organization, or organizations, to heirless or unclaimed property in the United States. This property is defined by reference to the persecutee-return provisions of the Trading With the Enemy Act -- that is, it is property which would be returned to a living persecutee or his heirs, were he alive or had he heirs to claim it. The designated successor organization has a number of obligations in regard to administration and use of the property or funds which it may receive -- accounting regularly, the obligation to return to persecutees who turn up within two years, etc. The 1954 series of amendments restrict use of the property to use for persecutees (a) in the United States and (b) who are needy, and they prohibit use of any of these funds for administrative expenses. The bill provides for a limitation of \$3 million to the amount which can be made available to a successor organization.

II.

Immediately after enactment of the legislation, steps were taken directed at the Presidential designation of the JRSO as the successor organization under the bill. Theoretically, Public Law 626 allowed the possibility of designation of more than one successor organization. As a practical matter, however, there was never any interest in this matter of successorship to heirless assets on the part of organizations other than Jewish organizations. An application for designation as the appropriate successor organization to Jewish heirless assets (these being apparently all the heirless assets) was prepared, together with a variety of supporting documents ranging from the certificate of incorporation of the JRSO to a memorandum on the history and responsibilities of that organization. These documents were filed almost immediately upon enactment of the legislation and, in fact, were discussed with governmental officials before the legislation was actually signed by the President. Nevertheless, for a variety of reasons, designation of the JRSO was delayed until January 1955. At that time, an Executive Order was issued by the President designating the JRSO as an appropriate successor organization, and no other designations have been or are likely to be made.

A variety of other problems arose during the period between January 1955, when the JRSO was designated by the President, and August 1955, the expiration of the one-year filing period contained in the statute. A considerable amount of consultation with the OAP on detailed matters of record was obviously necessary. The work in Washington rose to such a volume that it became apparent that a full-time representative of the JRSO there was required, and Mr. Werner M. Loewenthal, who had just completed an assignment as Restitution Officer with the Office of the United States High Commissioner in Germany, was appointed to this position on June 20, 1955. He has worked in close coordination with the undersigned, who has acted during the period as Washington counsel for the JRSO. Mr. Loewenthal has had a staff of from two to three clerk-typists working with him.

The volume of work in the Washington office is apparent from the fact that ~~between July 1 and August 23, the filing deadline under Public Law 626,~~ the Washington office filed 3,094 out of a total of over 8,000 JRSO claims which had been filed.

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~~Thereupon, some 325 vesting orders in this category were located by the Washington JRSO office and claims filed describing these orders in terms which make it possible to identify the property in some detail.~~

Another problem arose out of negotiations between the United States and the Netherlands with respect to return of so-called scheduled securities. These were securities held in the United States which presumptively had been

Much of the above work is already in progress. In addition, the writer has had conferences with Mr. Harlan Wood, Chief Counsel of the Senate Judiciary Subcommittee on the Trading With the Enemy Act, and with Mr. Smithy of the Senate Legislative Counsel's Office. An amendment to S. 2227, the Administration bill dealing with partial return of enemy private assets, has been prepared and has been discussed with these gentlemen. Its principle -- that is the principle of a bulk settlement of JRSO claims -- seems to have met with their approval. Moreover, the OAP has apparently slowly come to the conclusion that a bulk settlement of these claims would be desirable. It may be added that the State Department has indicated its concurrence with the principle of a bulk settlement and will probably be willing to press the OAP on this point.

Assuming that the principle of a bulk settlement will be accepted and that it can be enacted at the next session of the Congress, in one form or another, the main question will be that of the amount of such a settlement. It is too early to tell what amount will be involved. Since Public Law 626 contains a ceiling of \$3 million, the writer has suggested a floor of \$2 million. There is little doubt that the OAP will oppose such a floor as being clearly in excess of the amounts which could conceivably be regarded as subject to Public Law 626. It is more than likely that a bulk settlement amendment would have the approval of the Administration only if it had no floor whatsoever; and, in point of fact, the floor can be justified primarily on the ground of symmetry rather than of logic -- that is, that there is a \$3 million figure already in the legislation.

The further program therefore includes continued work on the processing of the claims, as above described, and continued work with respect to the legislative proposals and their acceptance both by the Administration and by the Congress. The problems dealt with up to now have been of great complexity and have taken an enormous amount of time. It is very likely that they will take even more time in the future, particularly if such matters as the von Clemm case should come to a head and if the proposals with respect to a bulk settlement should arrive at a point where intensive work will have to be done on both the estimates and the legislative aspects of the matter.

Seymour J. Rubin

September 1955

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Collin page 6, pg. 2 CHANGE:

Already in March 1956, Seymour Rubin, Washington counsel for the JRSO, was writing that there were some 355 claims which OAP would accede were JRSO claims. 268/ Rubin suggested at the April 1956 congressional hearings that "provision should be made for an overall and speedy settlement" of the claims the JRSO had filed. Rubin acknowledged that the "figures available to us from the Office of Alien Property indicate that there are some \$865,000 worth of claims which after quite extensive examination and investigation... would appear to be valid claims of the JRSO." Categories of accounts were established, including accounts where vestees were alive or were not Jewish or where there were direct conflicting claims. Only two categories appeared to be clearly heirless - 791 accounts where there is no information concerning the vestee or heirs amounting to \$841,325 and 15 accounts where JRSO may be the successor amounting to \$24,608, making a total of 808 claims amounting to \$865,934. 269/ OAP referred the 808 cases to its Overseas Section which was able to investigate the 407 addresses in West Germany and 33 in Berlin. The results showed that 35 could be identified as being in concentration camps, 12 of the Berlin vestees were alive, and 9 of the deceased owners had living heirs. OAP concluded that only a handful of JRSO claims under Public Law 626 would be allowable. 270/ On this basis Paul Myron, Deputy Director of the Office of Alien Property, argued that only half of the \$865,000 might prove heirless. PICK UP COLLIN'S p.6, last paragraph to very top of page 7. S T O P

In mid-July Congressman Arthur Klein wrote to the OAP and asked if an administrative solution whereby "some substantial payment be made for the benefit of needy victims of Nazi persecution now resident in the United States, whether by prompt and generous settlement on the

over-all basis of the claims of the JRSO, or, in those cases in which...no adverse information has been adduced, by findings that the JRSO is entitled to return of the property claimed" would be possible. "Would it not...be the part of wisdom, justice and administrative convenience, in the spirit of Public Law 626, for the Administration to propose allocation out of residual vested enemy assets of...\$750,000 to the designated successor organization." 271/ In his August reply Paul Myron stated that "OAP would have no objection to legislation providing for the payment of this sum if it were not...tied to the assets of specific vestees, as is the case with Public Law 626." He then went on to make the first suggestion that Congress "consider the War Claims Fund as a source for the funds to finance such a payment." 272/

In calculating the amount of heirless property that would be used in a bulk settlement, OAP never included in its estimate the omnibus accounts that were maintained in the name of Swiss, Dutch, French and Norwegian banks for persons whose names were unknown. In his March memo Rubin acknowledged that the JRSO would withdraw all those claims to which the OAP had an objection "including the difficult claims as those involving omnibus accounts" 273/ At the April hearing Rubin referred to the OAP preliminary analysis of the JRSO claims noting that "[i]t has...deferred consideration of those claims which involved unknown amounts in omnibus accounts of foreign banks – where there may well be considerable quantities of heirless property." 274/

268/ Memorandum from Seymour Rubin to Nathaniel Goldstein, Proposed Bulk Settlement Legislation, Mar. 28, 1956, YIVO RG 347.17, American Jewish Committee (Gen-10) Box 295, File 11 [345172]

269/ Return of Confiscated Prop. (S2227), Hearings before a Subcommittee of the Comm. on the Judiciary, U.S. Senate, 84th Congress, 1st & 2nd Sessions, Apr. 20, 1956 [332786-787].

270/ Letter from Paul V. Myron, Deputy Director, Office of Alien Property to Congressman Arthur G. Klein, Aug. 10, 1956, YIVO RG 347.17, American Jewish Committee (Gen-10), Box 295, File 11 [345164]; Return of Confiscated Prop. (S.2227), Hearings before a Subcommittee of the Comm. on the Judiciary, U.S. Senate, 84th Congress, 1st & 2nd Sessions, Apr. 20, 1956 [332787]

271/ Draft Letter from Congressman Arthur G. Klein to Dallas S. Townsend, Director, Office of Alien Property, no date, YIVO RG 347.17, American Jewish Committee (Gen-10), Box 295, File 11 [345108-109].

272/ Letter from Paul V. Myron, Deputy Director, Office of Alien Property to Congressman Arthur G. Klein, Aug. 10, 1956, YIVO RG 347.17, Box 95, File 11[345165].

273/ Memorandum from Seymour J. Rubin to Nathaniel Goldstein, Proposed Bulk Settlement Legislation, Mar. 28, 1956, YIVO RG 347.17, American Jewish Committee (Gen-10), Box 295, File 11 [345174].

274/ Return of Confiscated Prop. (S2227), Hearings before a Subcommittee of the Comm. on the Judiciary U.S. Senate, 84th Congress, 1st & 2nd Sessions, Apr. 20, 1956 [332787].

ADD to FOOTNOTE OLD NUMBER 271, page 7, first full paragraph, after first sentence:

The \$500,000 as a maximum return to the JRSO was mentioned as early as the summer of 1959.

See letter of Deputy Attorney General Lawrence Walsh to Representative Oren Harris, August

26, 1959, appearing in Settlement of Claims of Successor Organizations for Return of Vested

Heirless Prop., Rpt. (no.1233) to Accompany H.R. 6462, House of Representatives, 86th

Congress, 2nd Session, Feb. 1, 1960 [332748]; GO BACK TO COLLIN'S FOOTNOTE

Corrections and Additions to Chapter V, pages 1, 3 and 4

Robinson
estimate

#267

Page 1 – footnote – American Jewish Committee is used in varying forms - but MOST of the entries spell words out: so

FOOTNOTE 246 – use : **American Jewish Committee**

Middle of page 3 – bf to show change only; do NOT put bf in correction

Quote needs **I**

Quote should read **[I]** if you are being sticklers; if not just **I** on word “It

Missing link replaced: You need to ADD Patterson quote that goes with footnote put in yesterday. Then you can go back and CORRECT Collin’s sentence. This sentence is footnoted in 257 so:

PLACE the following sentence AFTER ...figure of two million dollars.”255

Judge Robert Patterson, former Secretary of War, recommended to the congressional committees that “in order to allay any fear that a greater amount may be involved and in order to expedite...the bill...a ceiling of \$3,000,000 be written into the bill.” 256

The chairman of the War Claims Committee, Daniel Cleary, accepted the suggestion of **Rubin and Patterson** for a \$3 million limitetc

Page 3 BOTTOM – footnote number **256** after word legislation needs to be **REMOVED**

FOOTNOTES:

256 – ADD comma after word Representatives

Are pages correct style – do you mean 169?

TAKE OUT hyphen in word Subcommittee – its ONE WORD on title page of hearings

Page 4 – word in brackets should be **bill**

Word LAW only applies to passed and signed legislation

Page 4 – BOTTOM – A D D

Capitalize letter C in word Chief, its his formal title

ADD: Page 4 – BOTTOM

In 1956 Paul Myron, Deputy Director of OAP asserted that “[T]here appears to be no basis for the use of a \$3,000,000 figure other than the fact that it was deemed beyond question to be in excess of the amount of heirless vested property.”

A D D to footnote 259 A F T E R [332715]

Letter from Paul V. Myron, Deputy Director, Office of Alien Property to Congressman Arthur G. Klein, Aug. 10, 1956, YIVO RG347.17, American Jewish Committee (Gen-10) Box 295, File 11 [345163-165]). Are you using range or not? If just exact page Bates number use [345163]

In a year and half of searching NO ONE has found a reason, this is the ONLY statement, implicit or explicit as to WHY \$3 million was selected as the cap when \$2 million was considered the outside limit in 1950.

ADD Chapter V – page 6

On Lower End figures for JRSO heirless amount:

CITATIONS already in Collin's Chpter V discussion.

- 1 - Hearings – Return of Confiscated Property, April 20, 1956, pp.383-387
- 2 - Memo of March 6 from Schor to Myron of March 6 in which the figures show a minor change.
- 3 – Letter of August 10, 1956 Myron to Klein

I need to enhance Collin's sentence with more facts and sources and then ADD my analysis that NO omnibus accounts were used in calculating heirless assets in OAP vested property. (See Hearings 1956, p.386)

- 1 - Lower end figures are NOT addressed in March and May 1950 reports of Survey of OAP Vesting Orders to Obtain Estimate of Heirless Jewish Accounts because JRSO is trying to ADD up possible total of heirless assets
- 2 - Abraham Hyman does NOT address lower end in his 1954 letter
- 3 – Helvesi memo of June 8, 1954 does NOT mention lower figures

Money deposited in the War Claims fund for Jews

Claims Commission, using funds acquired in part from vested enemy assets, paid Americans for damages suffered at the hands of the enemy during the Second World War.²⁵³ Because heirless assets paid to the JRSO would come from the funds available to this agency, its chairman raised objections. Seymour J. Rubin, then foreign affairs counsel to the American Jewish Committee, "suggested that it might be possible to persuade the War Claims Commission to change its views if there were a top limit put on the recovery of heirless property," observing that little work would be necessary to effect that change in the legislation. Rubin "did not expect recovery to go beyond an outside figure of two million dollars."²⁵⁴

*Robt. C. Lohr
interested
6/1/53*

forced

The Chairman of the War Claims Commission, Daniel Cleary, accepted Rubin's suggestion for a \$3 million limit to claims provided for in heirless assets legislation. Another obstacle rapidly appeared, though. Harold Baynton, Acting Director of the Office of Alien Property, informed Rubin that "he saw no objection to the legislation but that if asked, he would have to say that the Department of Justice wished to examine the costs of administering the legislation if and when it became law." As Rubin pointed out, such an investigation would likely take a significant amount of time and reduce the chances that the legislation would pass. Rubin believed that "this attitude on the part of the Department of Justice is very likely to kill whatever chance [this law] now has for passage."²⁵⁵

It is unknown whether Baynton undertook an examination of the costs. Later that year, the House Interstate and Foreign Commerce Committee added amendments to the legislation

See letter from David L. Glickman to Dr. Eugene Hevesi, May 5, 1950, Central Archives for the History of the Jewish People, Jerusalem, TWEA-916a [336614-619].

²⁵³ Memo from American Jewish Committee, "Heirless Property Legislation in the United States," Jan. 24, 1950, YIVO, 347.17, Am. Jew. Cmtee. (GEN-10), Box 296, File 7 [345287].

²⁵⁴ Letter from Seymour J. Rubin to Dr. Eugene Hevesi, American Jewish Committee, Feb. 1, 1950, YIVO, 347.17, Am. Jew. Cmtee. (GEN-10), Box 296, File 3 [345266].

approved by the Senate, including a \$3 million cap for claims, and subsequently referred it to the entire House in the summer of 1950. That body took no action.²⁵⁶

Nevertheless, in 1954 the Senate Judiciary Committee made a fresh attempt. By the committee meeting of July 30, the \$3 million figure had become part of the proposed Senate legislation. It remained somewhat unclear to members of this committee, however, how the amount had been ascertained. Senator Everett Dirksen observed that he "could find no tangible evidence with respect to that estimate." The chief of the Claims Section in the Office of Alien Property, Thomas Creighton, believed that it was "purely an arbitrary figure based upon the investigations probably made by the various organizations that are interested in the bill."²⁵⁷

On August 23, 1954, Congress passed Public Law 626 amending Section 32 of the Trading with the Enemy Act. This legislation permitted the President to designate one or more organizations as successors in interest to obtain victims' heirless assets. The successor organization had one year to file claims, and it was to receive no more than \$3 million. Further, the law required the agency to use the funds for "rehabilitation and settlement of persons in the United States" who had been subject to Nazi persecution, to return property to rightful owners should they appear within two years, to provide detailed reports on how the assets were used, and

²⁵⁵ Letter from Seymour J. Rubin to Judge Robert P. Patterson, Mar. 22, 1950, YIVO, 347.17, Am. Jwsh. Cmtee. (GEN-10), Box 296, File 3. [345264-265].

²⁵⁶ Amending Section 32 of the Trading with the Enemy Act, as Amended, with Reference to the Designation of Organizations as Successors in Interest to Deceased Persons, Rpt. (no. 600) to accompany S. 1748, Comm. on the Judiciary, U.S. Senate, 82nd Congress, 1st Session, Jul. 30, 1954 [332732-733].

²⁵⁷ Heirless Prop. (S. 2420), Hearing before a Subcommittee on the Judiciary, Apr. 14, 1954, U.S. Senate, 83rd Congress, 2nd Session [332715].

THE HEIRLESS PROPERTY PARADOX

Abraham S. Hyman

I Proposed
delay in
publication
until start
American negotia-
tions

TWKA 9/6 B
cleared
with a/b
5/25/53
SK

As a general rule people are more circumspect about their behavior at home than about their conduct abroad. However, in dealing with the heirless property of victims of persecution, the Congress of the United States has made it appear that the reverse of this rule applies to the United States.

At the outbreak of World War II the United States, resorting to the Trading With the Enemy Act of 1917, seized the assets of the countries with which it was at war, and the assets of their nationals, situated in the United States and in the areas over which it exercised sovereignty. The purpose of the measure was twofold: one, to deprive the enemy of the economic weapon represented by the assets and two, to provide a ready source of reparations for use to satisfy claims arising out of the war. At the end of the war it was glaringly evident that the Trading With the Enemy Act, a law of World War I vintage, had to be made responsive to the realities of World War II. It was, obviously, unfair to seize the assets of those, who, though technically enemy nationals, were persons whom the enemy had villified, had dispossessed and had stripped of their civil and political rights. Recognizing that the law was draconian as it applied to these people, the Congress amended the Trading With the Enemy Act in August 1946 to provide for the restoration to them of their property. The amendment was, however, silent as to the property which was owned by persecutees who had perished and who had left no heirs.

With the Trading With the Enemy Act unchanged since the 1946 amendment as to the property of persecutees, the United States is today the ultimate beneficiary of the property in those cases where the enemy succeeded in destroying every vestige of the family to which the former owner of the property belonged. This is not only a queer result standing by itself but is even more quixotic when placed in just-

336623

position to what the United States has advocated with respect to similar property situated abroad in every instance in which the United States could exert its influence. In those instances the United States has consistently taken the position that such property is impressed with a sacred trust and should be employed in the rehabilitation of the victims of persecution.

It was at the Paris Reparation Conference, held in November - December 1945, where the question of heirless property was first raised. The Conference was primarily concerned with the allocation of German reparations among the western powers. Among the assets which came under the scrutiny of the conference participants, eighteen in all, were German assets and assets of heirless victims of Nazi persecution, situated in the neutral countries. As to the German assets, the United States and the other powers agreed that the neutral countries would be urged to turn over the property for distribution as reparations among the western powers. As to the heirless property, the neutral countries were to be requested to relinquish such property for use in the rehabilitation of the victims of Nazi persecution. This, then, is a distinction which the United States helped to forge in dealing with heirless property situated in neutral countries.

The opportunity to direct the disposition of heirless property situated in enemy territory came when the treaties of peace with the satellite countries were concluded. This was in 1947. The unanimous decision of the signatory powers, including the United States, as reflected in the treaties of peace with Hungary and Rumania, was that heirless property and property unclaimed for six months after the effective date of the treaties, and located in these countries, should be turned over to organizations in these countries, representatives of the surviving members of the class to which the persecutee belonged.

Any doubt as to whether these multi-lateral agreements actually reflected

American policy is dispelled by the action taken by the United States in the enactment of the restitution law (Military Government Law 59) for the United States Zone of Germany, ^{the law which provided for the restitution of property, transferred to the successor organizations.} In this instance, in which the United States finally acted unilaterally, the disposition of heirless property situated in Germany was one of the principal issues in dispute. Not only were the German authorities unwilling to enact a law which would turn over such property to a successor organization, but negotiations among the four occupying powers, looking to the enactment of a quadripartite restitution law, collapsed in part because of basic disagreements over the heirless property question. High praise is due General Clay who, as the architect of American policy in the United States Zone of Germany during his administration as military governor, refused to compromise on this issue. When he finally concluded, after long and arduous negotiations, that the three other occupying powers and the German authorities would not submit to his formula, he exercised his prerogative as Military Governor and promulgated a law which provided that heirless property shall be turned over to successor organizations for the rehabilitation of the class of persons to which the persecutee owners belonged. The law itself ultimately triumphed as the model law for similar laws enacted in the French Zone, the British Zone and in the western sectors of Berlin. This is an example of real moral leadership on the part of the United States which the other powers were at first reluctant to accept but to which they finally yielded.

The disparity between what we have preached to others and what we have practiced within our own sanctuary has not gone unnoticed. There have been repeated attempts to close the gap between our domestic and foreign policy on this issue. In the 80th Congress (H. R. 6187 and S. 2764), the 81st Congress (S. 603), and in the 82nd Congress (S. 1748), measures were introduced which recognized the paramount right of successor organizations to the property in question. The bills received

Conflict w/ War Claims Fund

the support of the Department of State, the Treasury Department, of the Department of Justice, and of the United States War Claims Commission. Among the individual members of Congress who have actively supported the bills are Senators Taft, O'Connor and McCarran. Yet, despite this formidable support, the bills have had an unhappy fate. They passed the Senate in the 80th and 81st Congress but expired when they were not put to a vote in the House. In the 82nd Congress the bill was called up on the consent calendar in the Senate but was consigned to oblivion when it failed to secure the requisite unanimous vote.

The argument has been presented that the claims of prisoners of war, payable out of the proceeds of German and Japanese assets seized under the Trading With the Enemy Act, have priority on all enemy assets including the heirless property. This argument accompanied the objection to S. 1748 when this bill was called up on the consent calendar in the 82nd Congress.

The argument does not flatter the prisoners of war. It is morally certain that they do not as a group support the proposition that an enemy should be permitted to discharge its reparations debt, and thereby its debts to them, with assets of families murdered by the enemy.

It is also morally certain that what the United States did regarding heirless property at the Paris Reparation Conference, during the negotiations on the Hungarian and Rumanian treaties and when Military Government Law 59 was enacted represents the real conscience of the American people. It is for the Congress to translate this impulse into law.

Especially, when used as more equitable alternative,
The principle of escheat, under which a state succeeds to heirless and unclaimed property, has no place in the disposition of heirless property of victims whose right to life the United States and the other allied powers fought during World War II to vindicate.

336626

JRSO - NY
Files relating to PL626 and heirless property in the US

950	PL 626 -Amendments	July-Sept. 55
949	Designation of JRSO under Public Law 626 - Memorandum for Executive Committee	Jan. 17, 1955
940	German assets in the USA	Feb. - Apr. 1958
939	Heirless property in the United States	Aug. 54 - Jan. 60
938	Heirless Property - Miscellaneous	March 50-Aug 66
937	Heirless Property Bill Publicity U.S.	Aug 54 - Sept 63
916 a-f	Trading with the Enemy Act (Heirless property legislation)	1946-1965
914	Heirless Asset Bill - Memo to Executive Comm.	July 31, 1958
901	Designation of JRSO as Successor Organization under PL626 - Memorandum	Jan. 17, '55
900	Application of JRSO for designation as above	Sept. 30, 1954
899	JRSO Report by Seymour J. Rubin	Oct. '55
541	Heirless Property Bill - JRSO a/c	1955-1963

8962-c Legal Matters Restraints Restitution (out)

9/18

Gene -

Thanks for the meeting
and clarifying the tables

The license correspondence
periodical articles and
docket files are NOT
in the box in Helen's
office. I looked 3
times

I called Sarah. She
does NOT recognize the
→

2
Please you

Can we call H-T
for ~~PG #~~ ~~for PG #~~ to find them
in Sarah's drawers?

Ally

PS - It is possible Helen took
them, though she told me
twice she had NOT looked
in the box

Hammel and Brown to Sofer, June 26, 2000

2

Sample Case Files

This file is comprised of 18 individual docket files and case files from investigations of individuals and companies who attempted to bring assets into the United States. In most cases these were Jewish refugees. However, in some cases, we also copied files of claimants whose ethnicity we could not identify, which might be useful as a comparison. These files should help to illustrate how the US government handled the importation of refugee assets. The investigation of Bruno Weil is particularly noteworthy as it contains information concerning an organization known as the Axis Victims League, Inc. and their activities involving restitution claims.

Treasury License Correspondence Files

The documents under this heading consist of correspondence between Treasury license applicants, Treasury Department officials and other government agencies. They provide examples of the process by which licenses could be obtained by Jewish refugees. One particularly interesting set of documents concerns Treasury license applications filed by individuals seeking refunds of unused fares paid on behalf of Jewish refugees attempting to leave Europe aboard Hamburg-American Line ships.

Periodical Articles

This file contains an article from a 1943 magazine concerning the US Freezing Program for Axis Assets. It addresses the issue of refugees and provides basic background information explaining the reasons government actions were taken.

Not

In box in Helen's
Office



MEMORANDUM

DATE: June 26, 2000

TO: Gene Sofer
Marc Masurovsky
Helen Junz

FROM: Gavin Hammel and Tracy Brown

SUBJ: Documents from RG 131, Office of Foreign Funds Control and RG 56, Treasury Department

The following report summarizes our third shipment of documents collected from the US National Archives. The materials pertain primarily to the first two research tasks identified in the memo of May 12th: 1) the implementation of Holocaust asset importation policies and 2) the role of US banks and travel agencies in transferring victim assets to the United States.

Most of the documents come from the Office of Foreign Funds Control files in RG 131. We have completed our review of the FFC Investigative Reports and the General Correspondence Files. In addition, we have conducted a survey of the FFC Docket Files, which are similar in nature to the investigative reports, and have included those copies in this shipment.

The collected documents, which have been forwarded to Ft. McNair for processing, include procedural memos relating to controls over the importation of currency and other financial assets. A number of case files and investigative reports relating to the importation of assets into the United States have also been copied.

We have divided the materials into the following files for easy reference:

General Importation Procedure Documents

This file contains a variety of procedural memos pertaining to the importation of currency and other financial assets into the United States. A large portion of the documents in this file consist of interdepartmental correspondence concerning Customs procedure in dealing with Axis assets. Memos and reports dealing with the changing role of the Office of Censorship in the enforcement of importation controls and freezing orders are also included. Finally, this file also contains a series of memoranda and correspondence dealing with the jurisdiction of the Federal Reserve System over blocked assets.



PRESIDENTIAL
ADVISORY COMMISSION
ON HOLOCAUST ASSETS
IN THE UNITED STATES

Edgar M. Bronfman
Chairman

Kenneth L. Klothen
Executive Director

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

To: Ken Klothen

From: Jonathan Petropoulos

Date: 15 October 1999

Re: Comments by Ron Zweig in Washington Post

Ron Zweig was quoted by Michael Dobbs as saying the report showed "a basic misunderstanding of the immediate postwar period." He added that the U.S. authorities had reason to mistrust Communist promises to return valuable items to a much-diminished Hungarian Jewish community after World War II. Individual restitution was impossible for the vast bulk of the looted goods, and that we "rushed to print" in an attempt to justify its \$6 million budget." Dobbs added that Zweig was working on his own book.

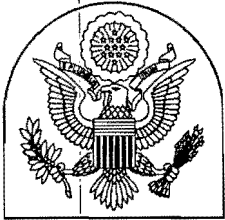
I would make the following observations:

- 1) It was U.S. policy and international law to restitute all cultural property to the country of origin regardless of political orientation, at least until 1947.
- 2) The U.S. restituted hundreds of thousands of objects to the Soviet Union and other communist countries (with some objects sent back after 1947).
- 3) Hungary had a coalition government during the first two years the U.S. possessed the assets and did not become a communist country until 1947.
- 4) The U.S. authorities rebuffed the Hungarian Jewish Community leaders in their attempts to inspect the assets. They were not the Hungarian government. There is no indication in the documents that they were communists.
- 5) The reasons the U.S. did not restitute the assets to Hungary are complicated and cannot be ascribed to Cold War politics alone. For example, in the case of the 1100-plus paintings, the rationale appeared to be (according to documents cited) that they were be useful to the Austrians as bartering objects in negotiations with Hungarians.
- 6) Yes, the Hungarian Jewish community was diminished (there was hardly one on the continent that wasn't), but the community's leaders stated in their letters to the U.S. State Department that a population of 200,000 had survived.
- 7) The leaders of the Hungarian Jewish community requested the right to inspect the assets, as well as control over the assets, but we have not seen one document where they express concerns about the Hungarian government not returning the property to them. Of course, we don't know what would have happened.
- 8) We never claimed that individual restitution was possible for the bulk of the loot; only that restitution might have been possible for some of the loot. Ardelia Hall, for example, wrote about labels and addresses on many of the artworks (see page 24 of the report).
- 9) Zweig seemingly ignores the point that the U.S. forces appropriated victims' assets for their own purposes and sold some of the works through the Army Exchange. These acts were clear violations of U.S. policy.
- 10) This report was a progress report (and titled as such) to our bosses, the Commissioners, on the occasion of a long-scheduled meeting. We were not "rushing to print."
- 11) We have been working on this topic since last May. We have devoted considerable resources of the research staff to it. This scholarship of this progress report is very solid and we have

demonstrated a willingness to provide to interested parties copies of every document cited in the report.

- 12) We cooperated fully with Mr. Zweig when we encountered him in the archives: we put boxes at his disposal and informed him of our general plans and timetable. He stated to Konstantin Akinsha and me that he did not know about the paintings on the Gold Train. It is his ulterior motives that should be called into question. He is working on a book on the Gold Train.

Gene



PRESIDENTIAL
ADVISORY COMMISSION
ON HOLOCAUST ASSETS
IN THE UNITED STATES

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

Edgar M. Bronfman
Chairman

Kenneth L. Klothen
Executive Director

October 22, 1999

Charles Goldstein
Squire, Sanders & Dempsey
350 Park Avenue
New York, NY 10022

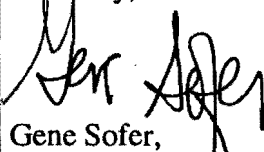
Dear Charles:

It was a pleasure to meet you last Wednesday. I have enclosed for your consideration the list of unidentified paintings stored at the Residenz Depot, Salzburg. This list includes more than 1100 paintings that were on the so-called "Gold Train." I hope the list is useful to you.

We very much appreciated your information about US settlement agreements with Hungary in the immediate post-war period and your suggestions about how US and international policies could be modified to facilitate recovery of Holocaust assets.

We are quite interested in hearing about your meetings in Germany and look forward to your report. In the meantime, please do not hesitate to call if we can be of further assistance.

Sincerely,



Gene Sofer,
Deputy Director

Enc.

Mr. Saul Kagan
Conference on Jewish Material Claims Against Germany
15 East 26th Street
New York, N.Y. 10010

Dear Mr. Kagan,

Thank you for meeting with Ken Klothen and I last Tuesday, October 26. We appreciate your insights into the evolution of United States restitution policy in general, and the activities of the Jewish Restitution Successor Organization (JRSO) and its subsidiary, the Jewish Cultural Restitution Organization (JCRO).

It is clear that understanding the activities of these two organizations is essential if the Commission is to write the history of what happened to the assets of Holocaust victims that came into the possession or control of the United States government. We will continue to pursue our archival research already underway in Washington, examine the Salo Baron papers in the Stanford University Library, and visit again with Seymour Rubin to hear his recollections of what transpired.

We would appreciate it if you could authorize access to the JRSO archives located in the Archives of the Jewish People at the Hebrew University. I have occasion to be in Israel for approximately 10 days beginning December 20 and could make, at least, a preliminary assessment of the materials at that time. Please let me know if that timetable is acceptable.

Those of us on the Commission staff look forward to working closely with you and your colleagues to produce a report to the President and Congress of which we can all be proud.

Sincerely,

Gene Sofer

Abraham J. Edelheit
2020 Ave V, apt. 6G
Brooklyn, NY 11229

October 24, 1999

Helen,

Just a quick note to include my latest research report and an item from the YIVO archives that may be worth a second look. Although I e-mailed the report to you, I am not sure if it was received and am therefore sending a hard copy.

1. I have reviewed all issues of *Haynt* in YIVO. As you can see an entire year (1938) is missing, but fortunately the NYPL has it. Also you will notice that I found a few ads, but I'm not sure how we can follow up since those claiming they could transfer capital did not include names. Also, the number of ads is considerably less than I expected.

2. The YIVO archive Record Group that is enclosed is a collection of material accumulated by a journalist named James Surkamp who was writing a book on the transfer of Holocaust assets to the US during the late 1970s (before the issue became wide public knowledge). The possibility exists that many/most of these papers are copies from other archives and they may have already been reviewed by PCHA researchers. However, if you think it is worthwhile to look at, I will do so. Personally, I see no harm in giving the papers a once over, but I will defer to your judgement on this one.

3. Finally, there is the matter of the next newspapers that I should review: mainly, these are held in YIVO, but may be missing some issues. I included four titles that fit into the chronological period we are looking at and, again, am waiting for your approval to proceed. There is a small technical question here, insofar as the YIVO collection is strongest on material produced in Vilna. Although Vilna was part of Poland before World War II, it is (as you well know) now Lithuania. Should I also be including Vilna material?

Sorry we couldn't get together while you were in Washington, perhaps next time I'll be able to work out a way to get to the Commission headquarters.

Hope to hear from you soon!
Best regards,

Abraham

President's Advisory Commission on Holocaust Assets in the U.S.

Research Report #5

by: Abraham J. Edelheit

October 15, 1999

Subject: Review of issues of the *Haynt*, at the YIVO Institute for Jewish Research

Overview:

Haynt was one of the two main Yiddish-language, Zionist daily newspapers in Poland. Published in Warsaw, the paper was considered to be the mouthpiece of those elements among the Polish Zionists who supported the Jewish Agency and the World Zionist Organization. The paper also reflected the attitudes of Polish Jews who regarded emigration as a possible (and desirable) solution to the Jewish problem, but who were not necessarily willing to cooperate with the antisemitic Sanacja government in evacuating Polish Jewry. In its ideological orientation, therefore, *Haynt* was clearly distinguished from *Der Moment*, another Zionist daily, which adopted a pro-Revisionist Zionist viewpoint, and from *Die Yiddishe Volkszeitung*, a socialist newspaper that adopted the Bund's anti-emigration stand.

Unfortunately, the YIVO holdings on *Haynt* are incomplete. Many issues were damaged before they were microfilmed and thus parts of the text are missing. Then too, the entire print run for 1938 was never microfilmed, (or, if it was, it has been filed under a different call number) and is thus (temporarily) unavailable. Despite these impediments, I found the following material that may be of interest to the PCHA:

¶ April 18, 1937, page 2 article regarding the trial of a Jew suspected of attempting to smuggle currency out of Poland. Convicted, he was sentenced to nine months in prison. Among the accusations was that he had tried to use a middleman to get 210 Zlotys out of the country.

¶ April 6, 1939, classified ad for a service that claimed it could transfer property for tourists or emigrants to "various countries." No countries are specified, but it seems likely that the service could transfer capital to Western Europe or the United States. The ad provides an address and telephone number, but not the name(s) of those helping the service. This would seem to imply that the service did not operate in conjunction with Polish capital export regulations, but that cannot be confirmed. In any case, the service was located at Ulica Nalewki 43, suite 101. Telephone # 12-16-20. As an aside, it should be remembered that Nalewki was a major thoroughfare in the Jewish neighborhood of Warsaw.

¶ April 23, 1939, advertisement for the journal *Gazeta Gospodarcza* (and economic and investment journal about which I have been able to uncover no further details). The ad claims that if respondents send a case the editors will send them guidelines for investing (i.e., transferring) capital to South America. While the ad specifies countries such as Bolivia, Cuba, and the Dominican Republic, it is probable that "investment" in the US was also included in the brochure. Again, no name is listed and the address has been rubbed out in the YIVO copy, although the office was located on Ulica Leszno (which was in the old financial district).

¶ Repeated advertisements throughout all the issues reviewed (1937 and January to August 1939) for the Argos travel agency. On February 1, 1937, the ad included information on transferring personal items and capital for long- and short-term stays abroad. Similar ads abound for the Polonia and Union Lloyd shipping lines and for the Polska Kasa Opiecki (PKO)

bank. The latter, it should be noted, had branches in many foreign countries (including Mandatory Palestine) and advertised that it calculated interest on savings accounts, even if transferred abroad.

Recommendation: This information does not seem to provide many avenues for follow up research. It is, obviously, important that I obtain the issues of *Haynt* for 1938. I hope that the New York Public Library has a complete copy of that year's issues. It may well be that the *Haynt* for 1937 does not contain the information that PCHA is seeking since Jews had not yet given up the hope for mass emigration to an independent Jewish state in part of Palestine. In 1938, with the possibility of aliya drying up, Jews would have been more interested in emigrating to other countries, including the United States.

It is possible that many individuals who sought to emigrate with their capital were still thinking in terms of Palestine/Eretz Israel in 1937. *Haynt's* issues contain extensive repotage about the negotiations over a possible Poland-to-Palestine "clearing" agreement (similar in scope to the Haavara/Transfer agreement negotiated by the Jewish Agency and the German government). This material has been extensively documented elsewhere: in primary sources such as the Jewish Telegraphic Agency's *Daily News Bulletin* Jan.-Mar., 1939) and the *American Jewish Yearbook* (1937-1939) as well as in secondary sources including E. Meltzer, "Polish Diplomacy and Jewish Emigration, 1935-1939," *Gal-Ed*, 1 (1973): 211-249 [Hebrew] and in my book, *The Yishuv in the Shadow of the Holocaust: Zionist Politics and Rescue Aliya, 1933-1939* (Boulder: Westview Press, 1996), p. 91. f. From personal experience I know that there is extensive material on the negotiations at the Central Zionist Archive. These may also include some information on capital transfer to the United States, but I cannot verify such.

It also seems fruitful to pursue the American banking contacts (as I mentioned in

a previous note), with the Bank Americansky, with the PKO, and with two other banks: with the Bank Zachodni (which was a Jewish-owned multinational bank before World War II) and with the Commercial Bank of Warsaw. According to Josphe Marcus, *A Social and Political History of the Jews in Poland, 1919-1939*, pp. 107-110, both of these banks had extensive foreign contacts. ✓

Finally, YIVO has smaller or larger collections of other newspapers that may contain material of interest to the PCHA. The most promising appear to be the following:

Dos Vort (Warsaw, 1937)

Unzer Leben (Bialystock, 1937-1939)

Di Zeit (Vilna, 1939, 1939)

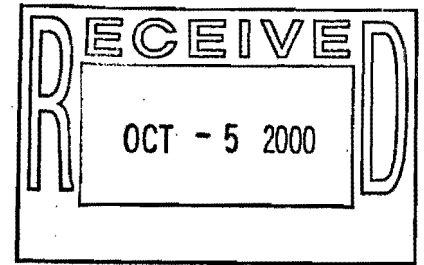
Unzer Kurier (Vilna, 1937-1939)

Rounding this picture out is a collection of material in the YIVO archive deposited by a journalist named James Surkamp. He apparently began to collect material on Jewish property that was transferred to the United States, but abandoned the book he intended to write on the subject. A copy of the partial folder list will follow in a few days. I will procede with a review of the Surkamp material only if I hear from you; otherwise, I will continue with my review of journals, beginning with *Haynt* for 1938 at the NYPL.



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

ALAN G. HEVESI
COMPTROLLER



October 2, 2000

Kenneth L. Klothen
Executive Director
Presidential Advisory Commission On Holocaust Assets
In the United States
901 15th Street, NW, Suite 350
Washington, DC 20005

Dear Ken:

I am enclosing a set of letters sent to Comptroller Hevesi by senior officers of the investment banking firms that conduct underwriting business on behalf of the City of New York. These letters were written in response to the Comptroller's inquiry as to their corporate conduct during World War II. I am hoping that the information provided in their replies may be of some value to your Commission.

Every good wish.

Sincerely,

Eric Wollman

EW:dk
Enc.

**BEAR
STEARNS**

BEAR, STEARNS & CO. INC.

245 PARK AVENUE
NEW YORK, NEW YORK 10167
(212)272-2000

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By Hand and First Class Mail

July 19, 1999

Mr. Alan G. Hevesi
Comptroller
Comptroller of the City of New York
1 Centre Street
New York, NY 10007-2341

Dear Mr. Hevesi:

Your letter dated July 6, 1999 to Mr. James Cayne, concerning the Holocaust Restitution Issues Executive Monitoring Committee, was referred to my attention today. I am writing this letter to advise you that I will be gathering information responsive to your letter and responding to you next week. I look forward to handling this project. In the interim, if you wish to speak to me, I am at 272-2545.

Sincerely yours,
BEAR, STEARNS & CO. INC.

Barbara W Bishop

Barbara W. Bishop
Senior Managing Director
Legal Department

**BEAR
STEARNS**

BEAR, STEARNS & CO. INC.

245 PARK AVENUE
NEW YORK, NEW YORK 10167
(212)272-2000

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August 10, 1999

Mr. Alan G. Hevesi
The Office of Comptroller
Comptroller of the City of New York
1 Centre Street
New York, NY 10007-2341

Dear Mr. Hevesi:

I am now in a position to respond more fully to your July 6 letter to Mr. James Cayne of Bear, Stearns & Co. Inc. You inquired whether Bear, Stearns & Co. Inc. ("Bear Stearns") has been in contact with the World Jewish Restitution Organization in connection with that organization's efforts to recover, in various countries, individual, commercial and organizational Jewish assets seized by the Nazis. On an institutional basis, we know of no contact between such organization and Bear Stearns. Further, we are aware of no financial services having been provided by Bear Stearns to either the Nazis or the governments of Nazi-occupied countries during WWII. Bear Stearns has no reason to believe of any institutional conduct supportive of the Nazis during WWII, and Bear Stearns has no reason to believe of any institutional involvement which deprived Holocaust victims of assets.

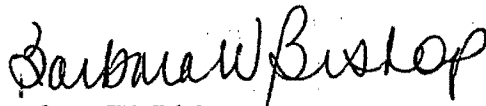
I have also checked with our Compliance Department, which reports back that it has no records or complaints in the nature of a request or indicative of any claims being made that Bear Stearns participated with or in the confiscation of assets. That department has no record of assets being held at Bear Stearns that were confiscated from Holocaust victims. Third, the Compliance Department advises me that they are aware of no letter or inquiry or request of any nature which has been processed which indicates that Bear Stearns may have participated in holding assets.

As you may know, the strong ethnic background of Bear Stearns is Jewish, as represented by many of our senior management and employees. Many of our employees give to world Jewish efforts and to various Jewish organizations. I have spoken to Alan Greenberg and to John Slade who have been with the Firm for the longest tenure. (Bear Stearns recently celebrated 75 years in business). John Slade, himself, was a refugee who is attempting, he tells me, to recover six properties that were forfeited by his family in

Berlin, Germany. Bear Stearns, and its individual employees, are deeply involved in many Jewish organizations:

We are pleased to provide you with this information and I remain available if you need any further information; my telephone number is 212-272-2545.

Sincerely yours,
BEAR, STEARNS & CO. INC.

A handwritten signature in cursive script, reading "Barbara W. Bishop". The signature is written in dark ink and is positioned above the printed name and title.

Barbara W. Bishop
Senior Managing Director
Legal Department

Charles O. Prince, III
*Co-General Counsel
and Corporate Secretary*

Citigroup Inc.
153 East 53rd Street
New York, NY 10043

Tel 212.793.8854
Fax 212.793.9700
princec@trvgroup.com

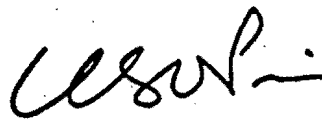
December 15, 1999

Mr. Alan G. Hevesi
Comptroller of the City of New York
1 Centre Street
New York, New York 10007-2341

Dear Mr. Hevesi:

I have been asked by Mr. Weill to respond to your letter. First, let me apologize for not having responded promptly to your earlier letter. We will review the issues that you have raised and get back to you shortly.

Sincerely,



COP/kjl

Harold O. Levy
*Director of
Global Compliance*

Citigroup Inc.
425 Park Avenue, 3rd Floor
New York, NY 10043

Tel 212.793.7212
Fax 212.793.7908
levyh@citi.com

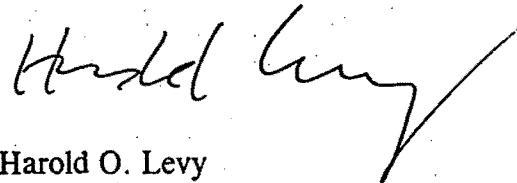
January 11, 2000

Mr. Steve Newman
First Deputy Comptroller
One Centre Street
New York, N.Y. 10007-2341

Dear Mr. Newman:

I am glad for your having once again given us an extension in the time we have to reply to Alan Hevesi's letters of July 6, 1999 and December 8, 1999. The relevant documents are being pursued but have not yet been located.

Very truly yours,



Harold O. Levy

HOL:cl

Joan Caridi
Counsel
Global Compliance

Citigroup Inc.
425 Park Avenue, 3rd Floor
New York, NY 10043

Tel 212.793.7181
Fax 212.793.7908
caridij@citi.com

January 20, 2000

Mr. Steve Newman
First Deputy Comptroller
One Centre Street
New York, N.Y. 10007-2341

Dear Mr. Newman:

Harold O. Levy has asked me to respond on his behalf to Comptroller Alan G. Hevesi's July 6 and December 8, 1999 letters regarding financial institutions transacting business in Europe during World War II.

With the assistance of outside counsel, we have conducted research into the corporate history of Citicorp legacy subsidiaries and affiliates in Europe and reviewed U.S. Treasury Department records in connection with government investigations of U.S. banking activities in France during the war. The research indicates that the Treasury Department's report on National City Bank's operations in France was favorable.

Our Travelers legacy subsidiaries and affiliates had no presence in Europe during the war. However, during the 1970's Travelers acquired a Belgium "shell" company, La Metropole, which may have conducted business during the war. After a diligent search of La Metropole records in Belgium, the U.K. and the U.S., none have been located which indicate that the company had any policy holders, or received any claims.

Very truly yours,



Joan Caridi

JC:cl



MEMBER NEW YORK STOCK EXCHANGE, INC. AND OTHER PRINCIPAL EXCHANGES

30 S PEARL STREET, ALBANY, NEW YORK 12207-1599 • (518) 447-8500 • FAX (518) 447-8068

August 16, 1999

Honorable Alan Hevesi
Comptroller
City of New York
1 Centre Street, Room 529
New York, New York 10007

Dear Comptroller Hevesi:

On behalf of First Albany Corporation, I am responding to your letter of July 6, 1999 concerning Holocaust restitution.

First Albany Corporation was founded in 1953 after the end of the Second World War. To date, we have had no claim for restitution from a Holocaust victim or relative and we do not expect any such claim due to our corporate history.

You, together with Comptroller McCall and other principal public officials, are to be commended for your efforts to seek restitution for Holocaust victims.

Please keep us advised and informed on your efforts in the Holocaust restitution effort and, particularly, if we can provide assistance in developing specific industry procedures that would help to accomplish the goals of this effort.

Very truly yours,

A handwritten signature in dark ink, appearing to read "George C. McNamee".

George C. McNamee
Chairman

GCM:sa

cc: Michael Stern

Goldman, Sachs & Co. | 85 Broad Street | New York, New York 10004
Tel: 212-902-6481 | Fax: 212-902-4869 | e-mail: ann.kaplan@gs.com

Ann F. Kaplan
Managing Director

Goldman
Sachs

August 12, 1999

The Honorable Alan G. Hevesi
Comptroller of the City of New York
1 Centre Street
New York, NY 10007-2341

Dear Comptroller Hevesi:

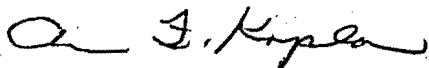
On behalf of Goldman Sachs, we would like to respond to your letter of July 6 to Henry M. Paulson, Jr. regarding the efforts of the Holocaust Restitution Issues Executive Monitoring Committee of government finance officers.

As you are aware, we take this issue quite seriously and have discussed it with representatives of your office. However, as Goldman Sachs is neither a commercial bank nor an insurance company, we have never taken deposits or held unclaimed insurance benefits which would be subject to restitution. Indeed, during the World War II era, Goldman Sachs was a much smaller institution with about 280 employees with no overseas offices and the focal point of its business efforts was in the United States. Accordingly, we have no reason to believe that this firm is in possession of confiscated assets or was otherwise involved in relevant events.

At the current time, given our firm's nature and history as described above, we have not been in contact with the World Jewish Holocaust Restitution Organization and we have no plans to commission an independent historical study. However, if you or the Committee become aware of any information relevant to these issues and Goldman Sachs, we would certainly appreciate the opportunity to review it.

Please feel free to contact me if you have any further questions.

Sincerely,



Ann F. Kaplan

LEHMAN BROTHERS

Joseph Polizzotto
Managing Director &
General Counsel

August 2, 1999

Mr. Alan G. Hevesi
Comptroller of the City of New York
1 Centre Street
New York, NY 10007

Dear Mr. Hevesi:

I am writing in response to your letter of July 6, 1999 addressed to our Chairman, Richard S. Fuld, Jr., inquiring about whether Lehman Brothers may have provided financial services to the Nazis and/or had assets in its possession belonging to victims of the Holocaust. Based on what we know, we believe that the chances of Lehman Brothers having had any involvement with the Nazis, with governments friendly to Nazi-occupied countries, or with Holocaust victims, are extremely remote, though as you might expect, reconstructing the specific business of the Firm 60 years ago is a virtually impossible exercise.

Records relating to the business conducted by Lehman Brothers in the 30's and 40's are almost non-existent. There is, however, an exhaustive narrative history of the Firm, which we have reviewed, and there is no indication in it of any business presence in Europe, let alone specific business in or with Germany. As you may know, Lehman Brothers was founded in 1850 as a U.S.-based firm and only in the relatively recent past have we established a global office network. In addition, with respect to the possibility that Holocaust victims might have had brokerage accounts at the Firm, it is important to note that throughout most of its history, Lehman Brothers has been an institutional firm. In the 30s and 40s, as now, our retail brokerage activities were quite small and, during the relevant period of time, any dealings with individuals the Firm may have had were most assuredly based exclusively in the U.S. For these reasons, we can say with confidence that it is highly unlikely that we would have been involved in providing services to the Nazis or in the possession of assets belonging to victims of the Holocaust.

LEHMAN BROTHERS INC.

3 WORLD FINANCIAL CENTER - 10TH FLOOR

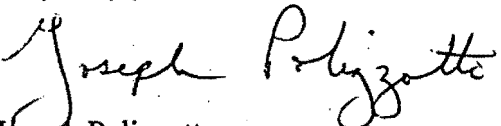
NEW YORK, NEW YORK 10283

(212) 526-3267 FAX: (212) 526-6909

For these reasons, Lehman Brothers has not had contact with the World Jewish Restitution Organization, and has not commissioned an independent historical study to reconstruct its activities during the war. Again, our lack of an office network internationally and our focus on U.S. institutions make it extremely unlikely that Lehman Brothers had any involvement whatsoever in the matters you raise.

We believe this letter addresses your concerns. Obviously, we greatly appreciate our role as a managing underwriter of New York City's debt and are very much interested in continuing and expanding our relationship with the City. Please do not hesitate to contact me if you have any follow-up questions.

Very truly yours,


Joseph Polizzotto

JPMorgan

Rachel F. Robbins
General Counsel
and Secretary

J.P. Morgan & Co.
Incorporated

60 Wall Street
New York NY
10260-0060

Tel: 212 648-3535

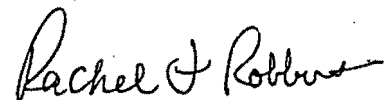
December 28, 1999

Mr. Alan G. Hevesi
Comptroller of the City of New York
1 Centre Street
New York, NY 10007-2341

Dear Mr. Hevesi:

I am responding to your letter dated December 8, 1999 to our Chairman, Sandy Warner. Morgan has undertaken, together with outside counsel and archivists, an extensive amount of research on its activities before and during World War II. Our policy has always been to assure full restitution for any assets of Morgan account holders that were seized or frozen by the Nazis. We are sharing our findings with plaintiffs' counsel in the Benisti lawsuit, who represent a range of parties interested in assuring the return of assets confiscated from Holocaust victims. We have also shared our findings with the New York State Banking Department. Finally, I have been keeping Eric Wollman of your office apprised of our efforts.

Very truly yours,



MORGAN STANLEY DEAN WITTER

*1221 Avenue of the Americas
New York, New York 10020
(212) 761-4000*

November 5, 1999

Hon. Alan G. Hevesi
Comptroller
The City of New York
1 Centre Street
New York, NY 10007-3500

Dear Comptroller Hevesi:

Thank you for your July 6, 1999 letter to Philip J. Purcell concerning efforts, including those of the Holocaust Restitution Issues Executive Monitoring Committee, to investigate the conduct of financial services firms during the wartime period and to ensure that assets confiscated from Holocaust victims are identified and returned. Morgan Stanley Dean Witter very much shares your determination that this issue be resolved justly. We appreciate your efforts and those of the Executive Monitoring Committee to ensure that result.

In response to your letter, we have conducted a review of the activities during the wartime period of the two firms, Morgan Stanley Group and Dean Witter, Discover & Co., that merged in 1997 to form Morgan Stanley Dean Witter. In some cases, in particular for Morgan Stanley, the firm's records relating to the wartime period are limited. Based upon that review and our understanding of the nature of the businesses conducted by the firms at the time, to the best of our knowledge neither Morgan Stanley Dean Witter nor any of the firms which it comprises provided financial services to the governments of Nazi Germany or Nazi-occupied countries during the wartime period or knowingly engaged in business involving missing or confiscated assets of Holocaust victims during that period.

Morgan Stanley was formed in 1935 after the Glass-Steagall Act made it unlawful for commercial banking and investment banking to be conducted in the same entity. The new company, Morgan Stanley & Co., was formed to conduct a wholesale investment banking and underwriting business. It did not execute or clear securities trades until 1973 and had almost no customer accounts (apart from partners' accounts).

until that time. Morgan Stanley & Co. had no European presence until 1967. All but two of the firms acquired over the years by Morgan Stanley & Co. were founded well after the wartime period and, to the best of our knowledge, the two firms that predate World War II engaged exclusively in the domestic real estate and domestic asset management businesses, respectively. Because J.P. Morgan and Morgan Stanley have been separate companies since 1935, our review did not include any of the activities of J.P. Morgan nor reflect materials that may be contained in its archives.

Dean Witter was founded in San Francisco in 1924 as a domestic retail securities firm. Over the years it acquired or merged with several other U.S. retail securities firms and mutual funds, including Reynolds Securities in 1978. None of those companies conducted business in Europe until 1968 when Dean Witter Reynolds established several European offices to serve European institutional clients investing in the United States.

The one firm acquired by Morgan Stanley Dean Witter since the 1997 merger that created it, A.B. Asesores, is a Spanish securities brokerage that was founded as a new partnership of individual securities professionals in 1984.

In light of the foregoing and the results of our review, we do not plan to commission an independent historical study regarding the firm's conduct during the wartime period. Also, in response to your question, to date we have not been contacted by the World Jewish Restitution Organization, the Presidential Advisory Commission on Holocaust Assets or any similar organization. We will, of course, fully cooperate with them if they do contact us in the future.

Again, we applaud your efforts and those of the Executive Monitoring Committee and urge you to contact us if we can be of any assistance to you or the Committee in this very important matter.

Very truly yours,



Ronald T. Carman
Managing Director
Assistant Secretary

PaineWebber Group Inc.
1285 Avenue of the Americas
New York, NY 10019-6028
212 713-2879

Theodore A. Levine
General Counsel
Senior Vice President
Secretary

PaineWebber

August 31, 1999

The Honorable Alan G. Hevesi
Comptroller of the City of New York
1 Centre Street
New York, NY 10007-2341

Dear Mr. Hevesi:

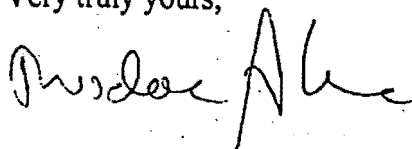
Donald B. Marron has asked that I respond to your recent letter. I apologize for the delay in responding. It was due to our researching the questions raised by you.

In response to your letter, we have conducted an informal review of our corporate history and, based upon that review, are of the belief that PaineWebber did not provide financial services to the Nazis or the governments of Nazi-occupied countries and that PaineWebber is not currently holding assets confiscated from Holocaust victims taken during World War II. The vast majority of our clients are, and have always been, United States residents and corporations. The European offices and operations of PaineWebber were not established until long after the end of World War II.

To date and to the best of our knowledge, we have not received any claims from Holocaust victims. Should we ever receive such claims, please be assured that any such claims will be handled in a just and fair manner. Additionally, to the best of our knowledge, we have not been contacted by the World Jewish Restitution Organization.

We congratulate you on your successful efforts as Chair of the Holocaust Restitution Issues Executive Monitoring Committee of government finance officers and offer our continued cooperation and support on this significant issue.

Very truly yours,





PRESIDENTIAL
ADVISORY COMMISSION
ON HOLOCAUST ASSETS
IN THE UNITED STATES

Edgar M. Bronfman
Chairman

Kenneth L. Klothen
Executive Director

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

MEMORANDUM

TO: Rob Kyle, OMB
FROM: Ken Klothen, Executive Director
DATE: October 10, 2000
RE: Appropriations talking points

I'm following up on your conversation yesterday with Gene Sofer.

As you know, the Presidential Advisory Commission on Holocaust Assets in the United States is requesting an appropriation of \$1.4 million. These funds will be used to fulfill our mandate and to bring ongoing research projects to their completion.

Among the points you may wish to make to the CJS staff, are:

1. Initial Authorization. Although the Commission was originally authorized at \$6 million, we have only received \$4.6 million of these funds. The \$1.4 million that we are currently requesting would bring us to the Commission's authorized funding level.

2. Database Cross-Match. To determine whether banks in the United States might once have held bank accounts and securities of Holocaust victims that became dormant and escheated to state governments, the Commission conducted a pilot project matching the names of a limited list of Holocaust victims with a list of escheated property maintained by the State of New York. The Commission has also sought to assess whether victims of the Holocaust held accounts of stocks and bonds issued by American companies. Therefore, the Commission conducted another preliminary cross match, comparing lists of victims with a national list of unclaimed property records.

Using the most primitive of tools, these procedures have demonstrated that such accounts do exist. Nevertheless, in order to ensure the completion of the project, the Commission will need to pay for more sophisticated technical assistance.

3. Best-practices agreements. In order to properly identify and publicize assets that may belong to Holocaust victims, the Commission has worked with the museum and financial communities

to develop sets of best-practices agreements. These efforts will extend beyond December 31 and will require more staff than originally planned for our close-down.

4. Document review. The Commission recently received 20,000 pages of documents from Chase Manhattan Bank. These documents will be particularly helpful in determining a set of best practices for U.S. banks. We need to review the documents carefully to determine how Chase selected them as well as for their historical content.

5. Art Claims Database. The Commission is in the process of compiling a database of all of the art claims that were submitted by European governments to the United States between 1945 and 1956. This database does not exist elsewhere and would be a significant step forward in making important information about looted art available to the public. This project is labor-intensive and its completion will require staff for data entry and review.

To: Ken and Gene

From: Jonathan

Re: Short Paper on Museums/Art Trade

Date: 27 June 2000

I think that there may be a hole in the final report if we don't do a bit more on museum officials and art dealers and their behavior with respect to victims' cultural property. Below are some of the questions and points that I would address in this short paper:

- 1) What knowledge did museum officials and art dealers have of non-restituted victims' cultural property and the possibility that it would be offered for sale? (here we would look at the warnings sent from the State Department; and the role played by art experts in assisting in the investigations in the period up through approximately 1950—curators and dealers were repeatedly approached to give information about their counterparts in Europe and pass on information/rumors about involvement in looting): *what else is there besides the warning?*

- 2) Was it possible that museum officials and the art trade in general did not know about non-restituted victims' art in the 1950s and 1960s? (the answer would be no—because of the numerous publications on the subject—from Plaut to Rorimer—and the fact that so many in the ALIU and MFA&A were in the museum world. We could provide a chart to show where the ALIU/MFA&A personnel worked in the 1950s and 1960s—and nearly all went into the art world and held significant positions). *Why ask if we already know the answer. What would you expect. People from JAB no doubt went to law firms, doctors to hospitals, etc.*

- 3) Did museum officials and art dealers view non-restituted art as a source that would help enlarge collections and bolster their business? (yes, and we could put together a series of statements where individuals express these sentiments—e.g., Rorimer talking about the way that this art could help beef up collections on the West Coast; Francis Taylor saying that by no means should the Germans be permitted to keep art acquired during the war, etc.) *This should be in Erin's paper already.*

- 4) There are cases where museum officials who formerly served with the ALIU/MFA&A acquired art for their institutions from Europe and certainly utilized their knowledge of Nazi art looting in this respect. These museum officials (and this applies even more so to art dealers) did business with Nazi and collaborationist art dealers. We could prove this through documents in NARA and the National Gallery, as well as interviews with surviving Nazi art dealers. There are also some acquisitions that speak to this point: e.g., Thomas Howe acquired a collection for the Legion of Honor in San Francisco and the deal involved individuals who were complicit in the Nazi looting program. No, we don't have the ALIU/MFA &A personnel buying looted art for their collections—just consorting with the plunderers.

So what? It's a tough world and people behave badly.

- 5) In light of the information above, how do we interpret the statements of de Montebello (at the 12 April meeting), and previously Hoving, that no museums—including the Met—investigated gifts with regards to provenance in the 1950s and 1960s?

What is to interpret. They asked no question because they didn't want to know the answers.

- 6) We would finish this short paper by describing the adversarial relationship between Ardelia Hall in the State Department and most members of the museum establishment/art trade. Hall warned them of non-restituted victims' property and they often responded in an aggressive and usually uncooperative way. In short, Hall was the one person in the U.S. government who tried to monitor the museum officials and dealers and they stonewalled her.

Isn't this already covered by Erin's paper. I think I read it somewhere.



PRESIDENTIAL
ADVISORY COMMISSION
ON HOLOCAUST ASSETS
IN THE UNITED STATES

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

Edgar M. Bronfman
Chairman

Kenneth L. Klothen
Executive Director

April 5, 2000

Dear Mr. Cohen,

I am writing to thank you for your contribution to the Commission's hearing on April 12. I am confident that the story of the Committee's work will add a great deal to our deliberations. I look forward to meeting you next week so that I may thank you in person.

Sincerely,
Gene Sofer

*** TX REPORT ***

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PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

Edgar M. Bronfman, Chair

Kenneth L. Klothen, Executive Director

FAX COVERSHEET

THIS IS A TRANSMITTAL OF 2 PAGES.
PLEASE CALL IF INCOMPLETE.

To: Mr. Joseph Cohen 718-851-5703

From: Gene Sofer
Deputy Director
Phone: (202) 371-6400 x 459

RE:

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN THE UNITED STATES

Edgar M. Bronfman, Chair

Kenneth L. Klothen, Executive Director

FAX COVERSHEET

THIS IS A TRANSMITTAL OF 2 PAGES.

PLEASE CALL IF INCOMPLETE.

To: Mr. Joseph Cohen 718-851-5703

**From: Gene Sofer
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Phone: (202) 371-6400 x 459**

RE: